

YOUTH SERVICES POLICY

Title: LaCarte Purchasing Card Program Next Annual Review Date: 12/02/2016	Type: A. Administrative Sub Type: 3. Fiscal Number: A.3.10
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References: La. R.S. 39:1551-1771 "Louisiana Procurement Code"; Office of State Purchasing Rules and Regulations; Executive Orders: BJ 08-67; BJ 08-77; PPM 51 "Contracts for Maintenance, Equipment and Services"; PPM Part V, Ch. 13 "Equipment Purchase Approval"; State of Louisiana's Division of Administration's Louisiana "LaCarte" Purchasing Card Policy"; PPM 49; ACA Standard 2-CO-1B-09 Standards for Administration of Correctional Agencies), 4-JCF-6B-05 (Performance-Based Standards for Juvenile Correctional Facilities); YS Policy Nos. A.1.9 "Public Records Management", A.2.1 "Employee Manual", A.3.2 "Travel", A.3.11 "Financial and Property Loss Prevention Program"; and A.3.16 "State Corporate Travel Card"	
STATUS: Approved	
Approved By: <i>Mary L. Livers, Deputy Secretary</i>	Date of Approval: 12/02/2015

I. AUTHORITY:

Deputy Secretary of Youth Services (YS) as contained in La. R.S. 36:405. Deviation from this policy must be approved by the Deputy Secretary.

II. PURPOSE:

To establish guidelines for the use and administration of the Corporate Liability "LaCarte" Purchasing Card Policy dated July 2, 2014, issued under the Division of Administration (DOA), Office of State Purchasing.

III. APPLICABILITY:

Deputy Secretary, Assistant Secretary, Undersecretary, Deputy Undersecretary, Chief of Operations, Assistant Secretary, Regional Directors, Facility Directors, Regional Managers, and all YS employees designated as authorized users and/or administrators of the "LaCarte" Purchasing Card, and their supervisors.

IV. DEFINITIONS:

Approver – An individual within YS who is responsible for verifying that all charges against the cardholder's account are authorized and supported by adequate documentation. This may or may not be the cardholder's direct supervisor.

Billing Cycle Purchase Log – Printed from WORKS to document the online reconciliation process for purchases/services charged during the billing cycle. This Log is printed and filed with the billing statement and the transaction documentation obtained from the merchant.

Billing Statement of Account – A listing of all transactions charged to the cardholder's account through the end of the monthly billing cycle. This statement is sent by the bank directly to the cardholder on a monthly basis for reconciliation purposes. This is not a bill. The cardholder must reconcile this statement upon receipt and forward it to the Approver to accompany transaction documentation at the time of review and approval.

Cardholder – The employee whose name appears on the card and who is accountable for all charges made with the card.

Cardholder Agreement Form – An agreement signed by the cardholder, prior to being issued a LaCarte purchasing card, which verifies that the cardholder has read and understands the policies and procedures of the State and Department of Public Safety and Corrections, Public Safety Services, and agrees to comply with them.

Cardholder Enrollment Form – A form containing pertinent information on a cardholder necessary for statement and information mailing purposes, contact information, daily-monthly spending limits and budgetary controls. The form must be submitted by the cardholder to the YS "LaCarte" Card Liaison for completion and approval.

CBA "Controlled Bill Account" – A credit account that is issued in an agency's name (no plastic cards issued). These accounts are direct liabilities of the State and are paid by each agency. CBA accounts are controlled through an authorized Approver(s) to provide means to purchase any allowed transactions/services allowed in the current State Liability Travel Card and CBA Policy.

Credit Card – A Visa card issued by the Bank of America for the State of Louisiana for the purpose of making authorized purchases.

Cycle – The period of time between billings. For example, the State of Louisiana P-Card closing period ends at midnight on the 5th of each month.

Cycle Limit – Maximum spending (dollar) limit a P-Card/CBA is authorized to charge in a cycle. These limits should reflect the individual's purchasing patterns. These are preventative controls and, as such, should be used judiciously.

Denied Item – A purchase that has been determined by the Supervisor/Reviewer as a non-work related purchase and therefore is not acceptable for payment; this item must be returned for a credit memo or if not returnable, the employee must make reimbursement. Continued purchases of this type shall result in disciplinary action.

Disputed Item – Any transaction for an item that was double charged, an inaccurate amount was charged, or charged without corresponding good or services by the individual cardholder.

Electronic Fund Transfer (EFT) – An electronic exchange or transfer of money from one account to another, either within the same financial institution or across multiple institutions.

Electronic Signature – An electronic sound, symbol or process attached to or logically associated with a record, or executed or adopted by a person with the intent to sign the record.

Fraud Purchase – Any transaction, intentionally made that was not authorized by the cardholder or not for official state business.

Incidental Expense – If travel expenses have been approved, these are expenses incurred while traveling on official state business which are not allowed on the state liability purchasing card. Incidentals include, but are not limited to, meals, fees and tips to porters, baggage carriers, bellhops, hotel maids, transportation between places of lodging/airport; such as taxi; phone calls and any other expense not allowed in the “State Liability Travel Card and CBA Policy”.

INTELLILINK – Visa’s web-based auditing tool which is used to assist with monitoring and managing the agency’s card program usage to ensure that card use conforms to all policies and procedures.

“LaCarte” Purchasing Card (P-Card) - A Visa card issued by Bank of America for the State of Louisiana. This card enables state employees to purchase items with the convenience of a credit card, while providing management with a means of maintaining control over those purchases.

ISIS/LaGov – The State of Louisiana’s newest integrated system; the system is used for accounting, financing, logistics, human resources, travel, and data warehouse storage and reporting.

MCC Code (Merchant Category Code) – A standard code the credit card industry used to categorize merchants based on the type of goods or services provided by the merchant. A merchant is assigned an MCC by the acquiring bank.

MCCG (Merchant Category Code Group) – A defined group of merchant category codes. MCCGs are used to control whether or not cardholders can make purchases from particular type of merchants.

Merchant – A business or other organization that may provide goods or services to a customer.

Monthly Spending Limit – A dollar limit assigned to the cardholder for the total of all charges made during the monthly billing cycle.

Non-Approved Purchase - A purchase made by a State cardholder for whom payment by the state is unapproved.

P-Card - A credit account issued by the Bank of America in an employee's name. This account is the direct liability of the State and is paid by each agency.

PPM 49 (Policy and Procedure Memorandum 49) – The state's general travel regulations (refer to YS Policy No. A.3.2).

Program Administrator – The liaison between the cardholder, YS "LaCarte" Card Liaison, State Program Administrator, and the Bank of America, who provides support and assistance to all agencies, processes new card applications and changes to cardholder information, provides training, maintains policies and procedures, user login ID and passwords for all agency users, and hierarchical structure for all agency roles.

Public Safety Services/OMF/Purchasing - A section within Public Safety Services responsible for the requisitions and purchases for YS.

Public Safety Services/OMF/"LaCarte" Program Administrator – An employee of PSS/OMF who serves as the central point of contact to address all issues/changes necessary to the overall program, and to coordinate such changes with the Office of State Purchasing.

Single Purchase Limit (SPL) – The maximum spending (dollar) limit a P-Card is authorized to charge in a single transaction. The SPL limit may be up to \$5,000; however, this limit should reflect the individual's purchasing patterns.

Transaction – A single purchase. A credit also constitutes a transaction.

Transaction Documentation - All documents pertaining to a transaction, both paper and electronic. The documentation is also used for reconciliation at the end of the billing cycle and is to be retained with the monthly reconciliation documentation for review and audit purposes. Examples of transaction documentation include, but are not limited to: itemized purchase receipts/invoices

(with complete item descriptions, not generic such as “general merchandise), receiving documents, credits, disputes, and written approvals. If travel has been approved, documentation should also contain airline exceptions, justifications, approvals, travel authorization, travel expense, etc.

Unit Head - Deputy Secretary, Facility Directors and Regional Managers.

WORKS – Bank of America’s web-based system used for program maintenance, card/CBA issuing/suspension/cancellation and reporting.

WORKS Workflow – Bank of America’s online system that includes user profiles and transaction workflow. For ISIS and LaGov interfaced agencies, transactions are coded and interfaced to the ISIS/LaGov systems for payment monthly.

YS Central Office - Offices of the Deputy Secretary, Assistant Secretary, Undersecretary, Deputy Undersecretary, Chief of Operations, Deputy Assistant Secretary, General Counsel, Regional Directors, and their support staff.

YS “LaCarte” Card Liaison – The YS Administrative Program Director located at Central Office, who is responsible for coordinating requests and cancellations, etc. for the “LaCarte Purchasing Card and Program”.

V. POLICY:

It shall be the Deputy Secretary’s policy that all YS employees responsible for the use and/or administration of the “LaCarte” Purchasing Cards shall comply with all Purchasing Policies, Rules and Regulations, Louisiana Statutes, and Executive Orders to ensure proper control of state finances and maximum competition among vendors.

The attached DOA, Office of State Purchasing, Corporate Liability “LaCarte” Purchasing Card Policy” shall be followed during the use of the P- Card.

Section XIV below outlines the consequences of misuse of the “LaCarte” Purchasing Card.

VI. RESPONSIBILITY:

- A. The Office of State Purchasing and Travel is responsible for the statewide contract administration of the Corporate Liability “LaCarte” Purchasing Card/CBA Program.
- B. The Public Safety Services Office of Management and Finance (PSS/OMF) “LaCarte” Program Administrator shall:

1. Serve as the central point of contact to address all issues and changes necessary to the overall program, and to coordinate such changes with the Office of State Purchasing;
 2. Issue procurement cards, cancel cards, and prepare monthly reports/reconciliations; and
 3. Be responsible for the administration of the “LaCarte Purchasing Card Program”, compliance with state guidelines in the “Division of Administration Louisiana “LaCarte” Purchasing Card Policy”, and the “State Accounting and Purchasing Card Manual”.
- C. Unit Heads shall be responsible for ensuring that designated staff comply with purchasing procedures as established by PSS/OMF/Purchasing.

VII. DECLARED EMERGENCY USE:

- A. In the event the Governor declares a state of emergency, the P-Card shall be changed to allow higher limits and opening of certain Merchant Category Codes (MCC) for essential employees who are cardholders that would be active during an emergency situation, not for ALL cardholders.
- B. An emergency profile must be created in WORKS which shall not exceed the following limits without prior approval from the Office of State Purchasing and Travel: SPL (single purchase limit) \$25,000, Travel and Rest MCC Groups shall be removed if determined to be necessary for group accommodations however, the Cash MCC Group must remain attached to the profile at all times, as the use of cash is never allowed, even during emergency situations.
- C. Higher limits do NOT eliminate the need to follow emergency procurement rules, policies, procedures and/or executive orders.

VIII. NON-DECLARED EMERGENCY PURCHASES:

Non-declared emergency purchases must affect the safety, security or quality of life of the youth served by YS/OJJ, or the safety and security of those employed by the agency, and must have prior approval by the Undersecretary or Deputy Undersecretary.

Once the purchase is complete, the State guidelines shall be followed. The payment shall be confirmed as an emergency purchase, and written justification submitted to the Office of State Purchasing. The requisition and purchase shall be entered into the ISIS/LaGov after the fact, along with supporting documentation, quotes and invoices from the vendors.

IX. CARDHOLDER ENROLLMENT:

- A. A attached "Cardholder Enrollment Form" shall be completed and signed by the appropriate Unit Head for each prospective cardholder. The Unit Head is responsible for assigning the cardholder's spending limits per transaction and per monthly cycle, which limits the number of transactions allowed for the cardholder. The form shall be forwarded to the PSS/OMF "LaCarte" Program Administrator at the following address:

Box B-13
P.O. Box 66614
Baton Rouge, LA 70896
Phone (225) 925-7771 or Fax (225) 925-6510

- B. When the PSS/OMF "LaCarte" Program Administrator receives the new card from the bank, the cardholder shall be contacted for training. The prospective cardholder must attend a training session and sign the attached "Cardholder Agreement Form" before receiving and using the credit card.
- C. The cardholder shall obtain annual cardholder certification through the State's online certification training program, receiving a passing grade of at least 90, to possess or continue to possess a State of Louisiana P-Card.
- D. Credit cards are not transferable. Use by anyone other than the cardholder is prohibited. The only person authorized to use the card is the person whose name appears on the face of the card. A transaction can only be signed by the cardholder. A receipt shall be signed by someone other than the cardholder if it is being used as a delivery receipt for a phone order. In this case the receipt should be signed "Received By" followed by the employee's name accepting the delivery.
- E. The PSS/OMF "LaCarte" Program Administrator must be notified immediately of a cardholder's termination by the Key Supervisor/Approver. The cardholder is responsible for return of the credit card to the YS "LaCarte" Card Liaison upon termination of employment. Cardholders who transfer to a new position in the same agency and require the use of the card as part of their new duties must complete a new "Cardholder Enrollment Form" and submit the form to the YS "LaCarte" Card Liaison indicating "Change" on the form.
- F. Whenever any information contained on the "Cardholder Enrollment Form" changes, the changes must be submitted on the form to the YS "LaCarte" Card Liaison indicating "Change" on the form.

- G. The cardholder shall submit a "Cardholder Enrollment Form", through their chain of command, indicating "Change" if use of the card has changed, and lower or higher limits are necessary.
- H. If the card is lost, stolen or damaged, the cardholder must immediately notify Bank of America at 1-888-449-2273, and the PSS/OMF "LaCarte" Program Administrator at (225) 925-7771, after reporting the incident to the bank. If the card is located after reported lost or stolen it must be destroyed.

X. KEY CARDHOLDER RESPONSIBILITIES:

- A. Use P-Card for official state business only.
- B. Attend required agency training annually and sign a State Corporate Liability "Cardholder Agreement Form", acknowledging responsibilities prior to receiving the card.
- C. Never include the full P-Card account number in emails, fax, reports, memos, etc.
- D. Secure assigned WORKS application User IDs. Never share User ID and password and/or leave work area while logged into the system, or leave log-in information lying in an unsecure area.
- E. Recognize that the P-Card is the property of the State of Louisiana and the cardholder is responsible for the physical security and control of the P-Card and its appropriate use.
- F. Never send a copy of the P-Card if requested by a merchant.
- G. Never use an individual P-Card for personal, non-business expenses for any reason.
- H. Never pay taxes on purchases with this card, since it is a state liability (refer to Section XII of this policy).
- I. Never, under any circumstances, use the P-Card to access or attempt to access cash.
- J. Never accept cash in lieu of a credit to the P-Card account.
- K. Never use the P-Card for gift cards/gift certificates without prior approval from the Office of State Purchasing and Travel, as they are considered cash and taxable.
- L. Never use P-Cards to avoid procurement or payment procedures.

- M. Never use the P-Card for the purchase of alcohol, food, travel expense transactions or entertainment services. The only exceptions are vehicle rentals.

Each cardholder must utilize their own card for registrations, fees, due, etc. **No cardholder is allowed to charge another employees registrations, membership fees/dues, etc. on their "LaCarte" card.**

- N. Never use the P-Card for fuel or vehicle maintenance if agency is part of the Fuel Card and Maintenance Program.
- O. Submit all required transaction documentation (both paper and un-editable electronic format), special approvals, etc. timely. Every transaction, debit or credit that is on your Bank of America statement must have a receipt, signed by the cardholder, with an itemized description to reflect that transaction.

The "LaCarte" Purchasing Card Log" must have a total at the bottom of the log sheet in the "totals" column, along with coding for each transaction on the log sheet.

All documentation noted in Section XVI below, is due to the PSS/OMF "LaCarte" Program Administrator by the 30th of each month after the billing cycle ends.

All information mentioned above shall be sent to the supervisor/Approver for required audit and signatures, and forwarded to the PSS/OMF Fiscal Office for review and file maintenance.

All supporting paper documentation, including the signed "LaCarte" Purchasing Card Log" (see attached sample) or approved electronic log and signed memo statement, along with any findings and justifications shall be scanned into Workflow (once implemented) and tied to each applicable transaction.

- P. NEVER MAKE A PAYMENT DIRECTLY TO THE BANK in the event that an unauthorized charge is placed on the individual's state corporate liability P-Card.
- Q. Notify the YS "LaCarte" Card Liaison if use of a card has changed and lower or higher limits are necessary.
- R. Request additional training if the use of the online WORKS system proves to be difficult to master.
- S. Reimburse any unauthorized charges by personal check or payroll deduction.

- T. Make purchases for which the cardholder has been authorized to spend and does not exceed the approved single transaction limit.
- U. Ensure P-Card does not decline due to exceeding monthly or single transaction limits, as this shall result in cancellation of the card (refer to Section XV of this policy).
- V. Ensure cardholder's business email address matches the cardholder's name.

(Refer to the attached Office of Juvenile Justice Corporate Liability "LaCarte" Purchasing Card Policy for additional information.)

XI. KEY SUPERVISOR/APPROVER RESPONSIBILITIES:

- A. Obtain annual Approver certification through the State's online certification training program in which a passing grade of at least 90 must be obtained.
- B. Obtain agency program training annually and sign the attached "Approver Agreement Form", with originals given to the YS "LaCarte" Card Liaison, along with Approver receiving a copy.
- C. Obtain, review and understand the state and agency policies and all applicable rules, regulations, policies, procedures, guidelines, statutes, executive orders and PPM 49, if applicable.
- D. Keep well informed of program updates as sent from agency Program Administrator(s) or anyone associated with the State Liability P-Card Program.
- E. Ensure that supporting documentation, including the signed "LaCarte" Purchasing Card Log" or electronic log, is completed by each cardholder, that the log corresponds with the monthly billing statement, that every transaction, debit or credit that is on the Bank of America statement has a receipt, signed by the cardholder, with an itemized description to reflect the transaction, that the columns are totaled, that the log and statement are signed by both Approver and cardholder, and that all documentation noted in Section XVI below, is forwarded to the PSS/OMF "LaCarte" Program Administrator by the 30th of each month after the billing cycle ends. The PSS/OMF Fiscal Office shall maintained all documentation in one central location in accordance with the state's requirements and this policy.
- F. Submit approvals with all necessary documentation, including complete line item descriptions where generic description is on receipts such as "general merchandise" (both paper and electronic) in a timely manner.

- G. Immediately report any fraud or misuse, whether actual, suspected or personal charges, to the YS “LaCarte” Card Liaison, as well as the Agency Head, and other personnel/agencies as required. An Approver shall participate in any disciplinary actions which shall be deemed appropriate, if necessary.
- H. Notify the YS “LaCarte” Card Liaison immediately upon separation, change in department/section, or during extended leave (to include enforced leave during an investigation) for any cardholders in which you are the Approver.
- I. Complete an exit review with the cardholder, of the cardholder’s transactions, supporting documentation and receipts, as well as obtaining necessary signatures prior to departure.
- J. Ensure that the P-Card is obtained from the employee upon separation or change in department/section and return card to the PSS/OMF “LaCarte” Program Administrator. Ensure the PSS/OMF “LaCarte” Program Administrator makes necessary changes to cancel the card and to remove the employee’s Approver and/or employee from the list of cardholders for which Approver is responsible.
- K. Ensure that either Approver or the cardholder notifies the YS “LaCarte” Card Liaison and the PSS/OMF “LaCarte” Program Administrator if card is lost, stolen or has fraudulent charges. Ensure the cardholder immediately notifies the bank as well.
- L. Review annually, at a minimum, all cardholders which Approver is designated as an Approver, along with profile limits, to ensure appropriate utilization of the card and program intent to ensure that cardholder limits, MCC Codes, etc., are working properly for the cardholder. If limits or codes are not allowing the cardholder to perform his duties, the Approver should contact the YS “LaCarte” Card Liaison to make necessary adjustments.
- M. Ensure that cardholder is never a final Approver of his own monthly transactions.
- N. Ensure each transaction, to the best of Approver’s knowledge, meets the criteria outlined under the Supervisor/Approver Responsibilities in the attached Office of Juvenile Justice Corporate Liability “LaCarte” Purchasing Card Policy.
- O. Secure all assigned WORKS application User IDs and passwords. Never share User ID and passwords and/or leave the work area while logged into the system, or leave log-in information lying in an unsecure area.
- P. Ensure Ebay, Paypal, Amazon, etc. are tied to business accounts and are legitimate state business related purchases.

- Q. Failure to properly fulfill responsibilities as a P-Card Approver could result, at a minimum, in a written Letter of Counseling, consultation with YS "LaCarte" Card Liaison and the PSS/OMF "LaCarte" Program Administrator(s), disciplinary actions and legal actions.

(Refer to the attached Office of Juvenile Justice Corporate Liability "LaCarte" Purchasing Card Policy for additional information.)

XII. MAKING A PURCHASE:

MCC's has been built into the card. These codes authorize the types of goods and/or services for which individual cards shall be used (i.e. office supplies). A list of MCC's shall be furnished to cardholders.

- A. Procedures for making card purchases are as follows:

1. Obtain necessary approvals;
2. When making purchases in person, sign the charge receipt and retain the customer copy or proper documentation of the purchase;
3. **State sales tax should not be charged on card purchases;**
4. When making a purchase other than in person (e.g. via telephone, computer, mail order, etc.), give the vendor the account number and **tax exempt number** (both of which are embossed on the card);
5. For items such as subscriptions and registrations, where the vendor not normally generate a receipt or packing slip, a copy of the ordering document shall be used;
6. Maintain a file of transactions, including document purchase type (telephone, computer, mail order, etc.) to facilitate monthly reconciliation;
7. In the event the Central Office Warehouse receives a shipment on behalf of the cardholder, Central Office Warehouse personnel shall notify the cardholder of receipt.
8. Maintain a permanent file of all supporting documentation for card purchases in accordance with state laws. The file must be maintained for a period of three (3) years, pursuant to YS Policy No. A.1.9.

(If the purchase is for a grant funded project, the cardholder is responsible for ensuring the documentation is maintained for the appropriate required retention schedule, pursuant to YS Policy No. A.1.9.)

B. Procedures for Merchandise Returns & Exchanges are as follows:

1. The cardholder is responsible for contacting the merchant when merchandise purchased with the card is not acceptable (incorrect, damaged, defective, etc.) and arranging for the return for credit or exchange.
2. If the merchandise is to be exchanged, the cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation shall be retained with the support documentation of that purchase.
3. If the merchandise is returned in person, the cardholder is responsible for obtaining a credit receipt from the merchant and retaining the receipt with the support documentation.

XIII. STATE CORPORATE BUSINESS ACCOUNT (CBA) REQUIREMENTS:

- A. All CBA transactions shall be in accordance with PPM 49 guidelines, Purchasing Policies, Rules and Regulations, Louisiana Statutes and/or Executive Orders.
- B. The purpose of a CBA is to provide a tool for agencies to purchase airfare, conference registrations and assist with payment of high dollar travel expenses only, as per current State Liability Travel Card and CBA Policy.
- C. The account(s) are issued in the name of the agency, and the PSS/OMF "LaCarte" Program Administrator is the primary point of contact for administering the accounts.
- D. CBA account(s) shall have an overall card cycle limit determined by the agency.
- E. The CBA accounts are the direct liability of the State.
- F. CBA accounts do not allow issuance of a plastic card.
- G. The full CBA account number shall never be included in emails, fax, reports, memos, etc. If an account number is necessary, only the use of the last four or eight digits of the account number is allowed.
- H. All persons with approval for use of travel on their P-Card shall follow the Statewide Corporate Travel Card policy and procedures, and PPM 49.

XIV. RECONCILIATION:

Agency procedures and controls are in place for prompt payment, reconciliation and cost distribution of charges and credits. Post audits of cardholder

transactions shall be performed to monitor the number and dollar amount of purchases made; vendor used, and detailed transaction information to properly allocate the cost.

- A. The paper billing statements from Bank of America will be mailed directly to each cardholder at the business address. The cardholder must reconcile purchases made during the billing cycle by matching the billing statement to the online transaction log in WORKS, along with the cardholder's supporting documentation (receipts).

The documentation (receipts) shall be reviewed and certified by the cardholder as received OR reported as a disputed item if the receipt does not match the transaction online information.

The cardholder shall allocate the expense to the appropriate budget categories and sign off electronically in WORKS on each transaction by the 8th of the month. This information shall be queued for supervisory review and approval.

1. If supporting documentation (receipt) is lost and a duplicate receipt cannot be obtained from the vendor, the attached "Missing Receipt Form" must be completed and filed in the cardholder's files.
2. If a charge or credit does not appear on the statement within 60 days after the original charge or credit was made, the cardholder must notify the PSS/OMF "LaCarte" Program Administrator.
3. Incorrect charges are disputed online in the WORKS system.

- B. The Approver must review the information in WORKS, along with the documentation submitted by the cardholder. Approver must verify that acceptable documentation exists (including line item description, price and coding) to support each purchase and/or credit, verify that purchases are for official state business, and that purchases comply with appropriate rules and regulations.

The Approver shall approve the log by signing off in WORKS to certify review and approval for the previous billing cycle by the 11th of the month.

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Once approved and returned to the cardholder, the cardholder shall print a copy of the "Billing Cycle Purchase Log" to file with the billing statement and transaction documentation.

If the Approver determines that personal or unauthorized charges are made on the card, the transaction is "flagged" in WORKS, which returns it to the cardholder with a comment for resolution. If repeated issues occur, appropriate steps shall be taken to resolve the misuse/abuse of the card.

- C. If a cardholder's transactions are not signed off timely, the card balance will not be fully refreshed to the full monthly credit limit until all transactions are completed (signed-off on) for all previous cycles.
- D. All supporting documentation, including the signed log or approved electronic log, and signed memo statement by both cardholder and Approver, along with any findings and justifications, shall be forwarded to the PSS/OMF Fiscal Office for review and maintenance of the file.

Once all approvals and audits by cardholder Approvers have been obtained and forwarded to the PSS/OMF Fiscal Office, appropriate staff shall review receipts in the program journal vouchers to correct any necessary coding changes.

XV. CARD MISUSE:

A. Fraud Purchase

An employee suspected of having misused the P-Card/CBA with the intent to defraud the state shall be subjected to an investigation, and the P-Card/CBA shall be retrieved until the completion of the investigation. Should the investigation result in findings which show that the actions of the employee have caused impairment to state service, and if those findings are sufficient to support such action, the employee shall be subject to disciplinary action, pursuant to YS Policy No. A.2.1.

The nature of the disciplinary action shall be at the discretion of the Agency's Appointing Authority, and shall be based on the investigation findings and the record of the employee. Any such investigation and ensuing action shall be reported to the Louisiana Legislative Auditor, the Office of Inspector General, and the Director of the Office of State Purchasing and Travel.

B. Non-Approved Purchase

A non-approved purchase differs from a fraud purchase in that it is a non-intentional misuse of the P-Card/CBA with no intent to deceive that

agency for personal gain or for the personal gain of others. A non-approved purchase is generally the result of a miscommunication between a supervisor and the cardholder.

When a non-approved purchase occurs, the cardholder shall be counseled in writing on how to use more care in handling of the P-Card/CBA. The Letter of Counseling shall be maintained in the employee's file for no longer than twelve (12) months, unless another incident occurs. The employee shall pay for the non-approved purchase. Should another incident of a non-approved purchase occur within a twelve (12) month period, the appointing authority shall consider revocation of the P-Card/CBA.

C. Same Vendor/Same Day (Split Purchasing)

A split purchase occurs when a cardholder purchases like commodities within a limited time frame, while exceeding the single purchase limit set for cardholder. Purchases shall not be artificially divided to avoid the single purchase limit (SPL) or procurement procedures. Split purchases shall result in disciplinary action pursuant to YS Policy No. A.2.1, and revocation of the P-Card/CBA.

D. Merchant Forced Transaction

Commercial cards are accepted by a variety of merchants that process transactions only if approved by the issuing bank thereby abiding by the card controls in place. Merchant transactions are processed using one of the two (2) steps as follows:

1. Merchants process transactions against card controls (MCC, limits, expiration date, etc.) and, if approved receive an authorization number; or
2. Merchants submit the transactions for payment from the bank.

In rare instances, merchants will circumvent the authorization process and only perform Step 2. This means that the merchant didn't process the transaction against the card controls, and therefore did not receive an authorization number.

If this happens, the merchant has forfeited all dispute rights and the transaction can be disputed, and unless the merchant can provide a valid authorization number, the dispute will be resolved in the cardholders favor.

E. Card and WORKS User ID/Password Security

Each cardholder, CBA Administrator, YS "LaCarte" Card Liaison, auditor, cardholder Approver, etc. is responsible for the security of their card, User ID(s) and password(s).

F. Consequences of Card Misuse

The consequences of card misuse are as follows:

- Suspension/cancellation of card;
- Written Letter of Counseling which would be placed in employee file for a minimum of 12 months;
- Consultation with the YS “LaCarte” Card Liaison, the PSS/OMF “LaCarte” Program Administrator, and possibly the Deputy Secretary/designee;
- Disciplinary actions, up to and including termination of employment; and/or
- Legal actions, as allowed by the fullest extent of the law.

XVI. DOCUMENTATION:

- A. All documentation shall be adequate and sufficient to adhere to current purchasing policies, rules, regulations, statutes, executive orders, State Liability “LaCarte” Purchasing Card and CBA Policy, for recording of expenditures in the State/Agency accounting system, and the State Corporate Travel Card and CBA Policy and PPM 49, if applicable.

All supporting documentation, along with signed receipts, shall be scanned and attached to each corresponding transaction. Immediate supervisors/Approvers shall verify and ensure that these controls are being met and that transactions are appropriate, accurate, have a business case and business need for the purchase, that all receipt dates and other supporting documentation dates that are applicable with known need or business travel, if applicable, and approved (refer to YS Policy No. A.3.16).

Documentation of approval must be accomplished electronically online by signing off on the transaction. Approval by the Approver certifies that the documentation is acceptable for each transaction; that it was for official state business; that it is in compliance with appropriate rules and regulations, etc., as mentioned above, and that it has been reviewed and is approved.

- B. Acceptable documentation must include a line description, with full description not a generic “general merchandise” description, and line item pricing for the purchase. **Electronic receipts are allowed if they are un-editable, printed, include an original signature**, and are maintained in compliance with the YS record retention policy (refer to YS Policy No. A.1.9).

- C. For internet purchases, the print out of the order confirmation showing the details, or the printout of the order details, or the shipping document if it shows what was purchased, the quantity, and the price paid suffice for the itemized receipts. **The printout must be signed and dated by the cardholder.**
- D. By the 30th of each month after the billing cycle ends, the YS "LaCarte" Card Liaison shall forward the original signed Bank of America statement, original "LaCarte" Purchasing Card Log" signed by the cardholder and the Approver, original receipts/credits signed by the cardholder, and any findings and justifications to the PSS/OMF Fiscal Office for review and maintenance of the files, in accordance with record retention laws. Failure to comply with these requirements will result in the "LaCarte" Purchasing Card being suspended for a minimum of 30 days.

This file shall be centrally located in the PSS/OMF Fiscal Office, and is subject to review by the Office of State Purchasing and Travel, the Louisiana Legislative Auditors Office and any other duly authorized auditor.

XVII. DISPUTE RESOLUTION:

The cardholder's first recourse is to contact the merchant to try and resolve problems regarding disputed items, charges or quality.

- A. If the merchant agrees the error has been made, the merchant will credit the cardholder's account. The credit will appear on the next monthly billing statement. The cardholder shall check the next statement for the credit.
- B. If the problem with the vendor is not resolved, the attached "Statement of Disputed Item" form must be completed and mailed or faxed with required enclosures within 60 days from the billing close date (5th of each month) to the following:

Bank of America-Commercial Card Service Operation
P.O. Box 53142
Phoenix, AZ 85072-3142
Phone (800) 352-4027 Fax (888) 678-6046

A copy of the dispute form shall be faxed to the PSS/OMF "LaCarte" Program Administrator at (225) 925-6510.

- C. The transaction will be paid; therefore, the cardholder shall mark the online WORKS transaction as "DISPUTED." The cardholder shall retain a copy of the disputed documentation and verify receipt of the credit on future statements.
- D. All disputes will be resolved by Bank of America within 180 days.

XVIII. FRAUDULENT CHARGE:

In the event of a fraudulent charge, the cardholder shall complete the following steps:

- A. Contact the Bank of America's Security Division at (877) 451-4602;
- B. Sign and return the affidavit provided by Bank of America;
- C. Notify the PSS/OMF "LaCarte" Program Administrator (225) 925-7771;
- D. Submit a copy of the fraudulent charge affidavit to the PSS/OMF "LaCarte" Program Administrator; and
- E. Indicate the fraudulent charge in the comment section of the transaction during online reconciliation in WORKS.

Any recognized or suspected misuse of the P-Card Program shall be immediately reported to the agency Program Administrator, and shall be anonymously reported to the State of Louisiana Inspector General's Fraud and Abuse Hotline at 1-866-801-2549.

XIX. PROCEDURES AND CONTROLS:

PSS/OMF/Purchasing and Accounting shall ensure that necessary procedures and controls are in place for prompt payment, reconciliation, and cost distribution of charges and credits.

XX. AUDIT REPORTS:

- A. State Purchasing has created a list of reports for agencies to use for monthly audit requirements of the "LaCarte" Purchasing Card Program through WORKS and Intellilink. Some reports are required to be generated and reviewed at least once a month, while others have been created and designed as added value to assist in policy compliance. Although all of the reports are not required monthly, the reports shall be reviewed to determine which of the reports are most valuable to the agency. Those selected reports shall be rotated at a minimum of every other month.
- B. When running the reports, it is the agency's responsibility to not only review the data gathered, but to make certain that transactions are for a business purpose and have a legitimate business need for the cardholder. In the event that a transaction is being investigated, the cardholder must explain and justify the transaction being questioned.

Based on the cardholder's explanation, the agency shall address the situation accordingly.

- C. All documentation/findings/replies resulting from the monthly audit of P-Card transactions shall be centrally located and readily available for any internal or external audits that shall occur. Most reports are available through VISA Intellilink. Intellilink's data is available for a 27 month rotating period.
- D. Monthly certification that the above procedures have been conducted shall be submitted to the Office of State Travel. The certification shall indicate that agency personnel administering the P-Card Program have generated the required reports, that all requirements listed in the policy have been completed, and necessary findings have been investigated, documented and handled appropriately.

In addition, reports shall be used as a tool to assist the YS "LaCarte" Card Liaison and the PSS/OMF "LaCarte" Program Administrator with determining which cardholders need a refresher training course, re-certification of the state's online training, counseling, cancellation of card due to inaccuracies, etc., as well as to determine possible changes to cardholder's limits, profiles and MCC groups.

- E. When WORKS Workflow implementation has been completed, a "Billing Cycle Purchase Log" report will be available for print. It is an un-editable PDF formatted report. The WORKS Workflow system data is generated at the time of report request with the most current signoff information, the date and time stamp of the approval captured in the audit tracking, along with all documentation which has been scanned to support P-Card transactions and tied to the appropriate transaction. The correct cycle period/dates shall be entered when printing the log report.

Cycle dates for the program begin on the 6th of one month and ends on the 5th of the following month.

- F. Once WORKS Workflow has been implemented there will be additional reports that can be created to give cardholder Approvers, accountants, YS "LaCarte" Card Liaison and the PSS/OMF "LaCarte" Program Administrator, auditors, and management information to monitor the compliance of their cardholders and staff. Data is available electronically within WORKS Workflow for up to three (3) years.

XXI. QUALITY ASSURANCE:

- A. PSS/OMF Internal Audit Division assures that all procedures, in conjunction with the areas covered in the "Loss Prevention Program" (refer to YS Policy No. A.3.11) are conducted annually to ensure a system of checks and balances and compliance. Policies shall also be reviewed annually.
- B. Each Unit Head shall evaluate and respond to PSS/OMF internal audit findings and recommendations expeditiously. The response shall include a corrective action plan with estimated implementation dates to resolve findings, whether or not the availability of resources is a restraining factor. Such lack of resources shall be documented.
- C. YS Policy No. A.3.10 shall be reviewed on an annual basis to ensure continued compliance with the State of Louisiana, Division of Administration, Louisiana "LaCarte" Purchasing Card Policy.

Previous Regulation/Policy Number: A.3.10

Previous Effective Date: 11/22/2013 **Attachments/References:**

Cardholder Enrollment Form
Cardholder Agreement Form
Approver Agreement Form
DPS Missing Receipt Form
Statement of Disputed Item
LaCarte Purchasing Card Log
Division of Administration, Office of State Purchasing, Corporate Liability "LaCarte" Purchasing Card Policy